

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6664**

**BILL NUMBER:** HB 1039

**NOTE PREPARED:** Jan 30, 2014

**BILL AMENDED:** Jan 29, 2014

**SUBJECT:** Indiana Grown Initiative.

**FIRST AUTHOR:** Rep. Lehman

**FIRST SPONSOR:** Sen. Grooms

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Indiana Grown Initiative to market and promote Indiana produced agricultural products. It establishes a commission appointed by the Secretary of Agriculture and Rural Development. The bill also creates the Indiana Grown Initiative Fund.

**Effective Date:** July 1, 2014.

**Explanation of State Expenditures:** (Revised) *Indiana Grown Commission:* The bill also establishes the Indiana Grown Commission which would consist of 12 members appointed by the Lieutenant Governor (Secretary of Agriculture and Rural Development), and provides that the commission shall meet at least quarterly. Members of the commission are entitled to travel reimbursement for expenses incurred in connection with their duties. The current rate for travel reimbursement established by the Indiana Department of Administration and the State Budget Agency is \$0.44 per mile.

*Indiana Grown Initiative Program:* The Indiana State Department of Agriculture (ISDA) would provide administrative support for the Indiana Grown Initiative Program and the commission. Expenses would be paid from the Indiana Grown Initiative Fund, unless there is insufficient funds for these purposes. Then funds appropriated to the ISDA would cover expenses.

*Indiana Grown Initiative Fund:* The bill establishes the fund and provides that it consists of fees collected under the Indiana Grown Initiative Program, appropriations, and gifts, contributions and grants. Money in the fund at the end of a fiscal year does not revert to the state General Fund. Application fees collected during FY 2013 under the current Indiana Grown Program totaled \$1,150.

(Revised) *Additional Information* - The Indiana Grown Program is currently implemented by the ISDA. Application fees are \$100 for first time applicants and \$50 for renewals. Indiana Grown stickers are provided for products identified in the applications, including produce, dairy, eggs, livestock and livestock products, fish and seafood, and ornamental horticulture. There are currently 15 Indiana Grown producers registered with the ISDA. For FY 2013, \$1,150 was collected in application fees and deposited in the ISDA main operating account. The fees generated offset costs such as printing and marketing materials.

The bill provides that the Indiana Grown Commission will consist of the following members:

- (1) The Director of the Indiana State Department of Agriculture or their designee.
- (2) Two members who represent an organization or association that represents the agriculture industry and growers who produce Indiana produced agricultural products, with one of the members representing the state's largest general farming organization.
- (3) Two members who represent an organization or association that represents restaurants that sell Indiana produced agricultural products.
- (4) Two members who represent an organization or association that represents retailers that sell Indiana produced agricultural products.
- (5) Two members who represent farmers' markets that sell Indiana produced agricultural products.
- (6) Two members who have expertise in marketing, promotions, or agritourism.
- (7) The Dean of the College of Agriculture of Purdue University or their designee.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana State Department of Agriculture.

**Local Agencies Affected:**

**Information Sources:** Indiana State Department of Agriculture web site; Jill Pritchard, Indiana State Department of Agriculture, 317-800-1700.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.